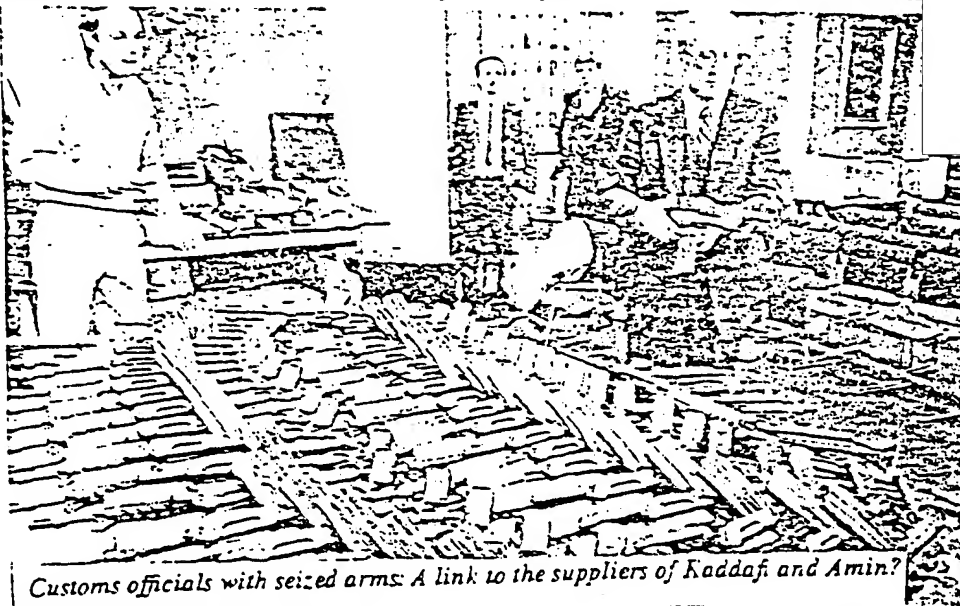


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INTERNATION



Customs officials with seized arms: A link to the suppliers of Kaddafi and Amin?

Hal Goldenberg—New York Post

SMUGGLING

A Trail of U.S. Guns to Poland

It was a gunrunning operation with a twist. Earlier this year, U.S. Customs agents seized a shipment of 500 Connecticut-made Ruger automatic rifles, electronic torture devices and a specially armed Cadillac worthy of James Bond—all headed for Polish officials in Warsaw. Federal agents had never before encountered anyone trying to smuggle arms to the Soviet bloc, where guns are not exactly in short supply. The tale grew stranger still: authorities learned that the two New York men arrested for the attempted smuggling, Solomon Schwartz and Leonard Berg, also had dealings with officials of the U.S. Defense Intelligence Agency.

Investigators are still trying to solve a case that appeared to lead deep into the murky fellowship of international arms merchants. NEWSWEEK has learned that a grand jury has subpoenaed Leon Lisbona, a security expert and associate of Frank Terpil, the former CIA employee who has been charged with providing arms and torture equipment to Muammar Kaddafi and Idi Amin, among others. Lisbona, who runs an electronic retail store on Madison Avenue, has not been charged and refused to respond to inquiries by reporters. But federal authorities believe that he and another Terpil friend, Gary Korkala, are closely tied to Berg. Last week, in an interview with NEWSWEEK from his jail cell where he is awaiting trial in a separate arms case, Korkala confirmed the associations and said Berg and Lisbona seemed to have contacts with the CIA. If a connection between the Polish smuggling and the notorious Terpil operation turns out to exist, the worldwide weapons trade will look more than ever like a tightly knit conspiracy.

One unanswered question is whether the

shipment was part of a larger deal with Polish authorities. NEWSWEEK has confirmed that the DIA at least listened to a plot hatched by Schwartz and Berg to obtain two Soviet-built T-72 tanks from Poland. Washington is reportedly interested in analyzing the alloys used in the tank's armor. But there is no firm evidence so far that the DIA did anything except listen, and DIA officials deny any advance knowledge of the gunrunning scheme. If American intelligence agencies had been actively involved, federal authorities probably would have arranged to delay prosecution of Berg and Schwartz, who have pleaded not guilty and declined to comment. That delay hasn't happened, suggesting that U.S. intelligence agencies have not been compromised.

Oil Slick Why would Polish communists want to buy U.S. small arms? U.S. authorities suspect that the Poles eventually intended to send many of the weapons on to sympathetic terrorists—whose attacks, if launched with U.S. weapons, could then be blamed on the West. But why risk shipping the small arms through Warsaw? And who ordered the cache's luxury item: the chocolate-colored, bulletproof Cadillac? It was decked out 007 style: designed to spurt an oil slick to thwart oncoming vehicles, to fire gas or smoke grenades, to start by remote control and to crash barricades. Such cars are not uncommon among rich Arabs or industrialists fearful of kidnapping, but they show up rarely in Eastern Europe. Another product in the mystery shipment would no doubt find a welcome audience behind the Iron Curtain: a dozen Playboy calendars.

JONATHAN ALTER with ELAINE SHANNON and
NICHOLAS M. HORROCK in Washington